

March 28, 2009

SPRINGFIELD, PA—On Friday, March 27, 2009, over 1,000 attendees packed Congressman Joe Sestak's second 7th Congressional District Business Procurement Summit at the Springfield County Club. The summit brought dedicated leaders of government and business together with local small businesses, community organizations, and municipalities to ensure that the 7th Congressional District has the tools, information, and contacts to secure funding and business opportunities through the government contracting process and the American Recovery and Reinvestment Act. Nearly 60 government agencies and major contractors presented exhibits for the more than 900 representatives of local businesses and organizations.

In his opening remarks, Congressman Sestak (PA-07) stressed that his objective in convening this event was the execution of his pledge throughout his first term of office to be diligent in bringing Washington decision-makers to the 7th Congressional District and to see that the views of the constituents of the District were fully integrated in his legislative agenda. "It is clear that the nation is in an economic crisis and this is a time that demands good government—a government proactive and wholly dedicated to the needs of its citizens," the Congressman said. "The unemployment rate in Delaware County is at 6.4% and the underemployment rate is much higher. Both numbers are very likely to increase in the near term. Right now, I want the businesses and the workforce of the 7th Congressional District to have every conceivable advantage as they fight through this economic crisis. I want them to be expert at understanding the American Recovery and Reinvestment Act (ARRA). If there is an opportunity for a local business to profit from their good work through the ARRA, I want that to happen. Today was designed to prove that government, businesses and labor can come together in close collaboration for the mutual benefit of all and the greater good of our community and country."

Throughout the day, over 1,000 participants had the opportunity to discuss the ARRA with government experts. "This was an exercise in offering our constituents timely information and transparent access to their government," said the Congressman. It has been less than six weeks since the stimulus legislation was signed by President Obama and today by virtue of the hard work of Congressman Sestak's staff, every attendee was provided a CD with current information on the funds that will be available through the ARRA as well as contact information for the offices responsible for executing that initiative. Also, programs were distributed containing contact information for nearly 60 prime contractors, government agencies, and vendors of all sizes. Panel discussions were offered on the management and execution of the ARRA, 'Government Marketing' and 'Joint Ventures and Partnerships'.

“Well before the ARRA was law, my staff was hard at work converting policy and legislation into points of contact my constituents could reach out to in their efforts to win ARRA contracts,” Congressman Sestak said. “We must offer all businesses access and information to convert the ARRA’s \$787 billion into kinetic activity that will accelerate our recovery from this crisis.”

The highlights of the day were the keynote addresses delivered by Dr. Mark Zandi, the chief economist and co-founder of Moody’s Economy.com, and Lt. General Mark Shackelford, Military Deputy Assistant to the Air Force for Acquisition. Zandi captivated an overflow crowd in the Springfield Country Club’s largest room for an hour as he described his views on how the crisis originated, his assessment of the government’s policy response to it, his forecast for the future of the risks our economy will face on the road to recovery. Zandi holds that unemployment and underemployment will rise and the recession will continue until December 2009. Thereafter, he expects two years of an economy that will continue to retract and does not expect the economy to be ‘comfortable’ until 2011. Zandi praised Congressman Sestak’s grasp of the current crisis and his actions to prevent the economy from collapse when the crisis was at its worst. Lt. General Mark Shackelford briefed the same audience on the U.S. Air Force acquisition process and his assessment on the direction of future defense budgets. Both speakers entertained multiple questions from the 800 at the lunch and made themselves available for individual discussions for the remainder of their time at the summit. Sestak acknowledged the professionalism and generosity of both men. “I know how much in demand Mark Zandi is and how difficult it is for a very senior military officer like Mark Shackelford to leave Washington for this length of time. I cannot thank them enough for sharing their expertise with us today,” he said.

Throughout the day the congressman acknowledged the support the event received from twelve local chambers of congress. “Today’s event would not have been so successful without the cooperation of Jeff Vermeulen, Al Paschall, Steve Shunck, Carmen Italia, Lynne A. Williams and other leaders of local chambers and business organizations,” the Congressman said. “In addition, the federal and state government stood tall today. The number and range of organizations represented here today reflects the sort of good government that the nation needs now more than ever. The people here today—in tough times—reflect a professionalism and commitment to constituents, clients and customers that demands respect.”

Since his election in 2006, Congressman Sestak has used his positions on the HASC, Education and Labor Committee and Vice Chairmanship of the Small Business Committees to advocate for additional opportunities for the efficient businesses and skilled workers of his district and this region. The results have been impressive. His first BPS drew an impressive 400 participants; today’s event reflected a 250% increase. The reasons for the Congressman’s credibility among business and labor leaders is a function of the results he has achieved in improving their opportunity to compete for government contracts and his legislative efforts to

benefit business and labor interests. For example, Congressman Sestak's Amendment 163 to H.R. 1873, Small Business Fairness in Contracting Act, prohibited contract bundling to make small businesses competitive. He worked closely with Boeing to support the ability of local small businesses to work with Boeing on competing for work that otherwise would have been outsourced from this region. His BESTT (Business and Education Securing Tomorrow Together) initiative is an innovative workforce-development program aimed at inspiring middle schools students to seek a career early in life with the assistance of a mentor from a local business or industry. Already, Rajant Corporation has a proposal to offer students at Beverly Hills M.S. the opportunity to learn about IT-WiFi technology and careers from systems that Rajant is considering for installation at the school. One goal of the BPS was to offer more businesses the opportunity to participate in BESTT. The Congressman is continuously working with Tony Ceballos, Director of the Philadelphia U.S. Export Assistance Center, U.S. Commercial Service, to increase exports of products from the this region. "The nation that recovers first and most efficiently from this global recession has an extraordinary competitive advantage in the future," the Congressman said. "That nation must be the United States, and I want the 7th Congressional District to lead our nation in that recovery."

When asked why he supported ARRA, the Congressman replied, "For the same reasons the U.S. Chamber of Commerce supported this landmark legislation: to stop the hemorrhaging of jobs and avoid a deeper recession or depression. The legislation was an A- in the House and declined to a B- in the Senate, but I felt strongly that more business tax cuts were necessary. In fact, in September I called for a more coordinated, aggressive, four-tiered approach to include: more aid to businesses and more infrastructure; an accountable TARP program; a comprehensive housing package; and support of the Federal Reserve's current and future policy approach. I am confident that the ARRA will improve our national security. Our Energy and Environment programs will benefit from tax incentives to create jobs and spur investment in green technology. I am impressed by the \$2 billion available for advanced batteries manufacturing grants and hope local companies like Lith-Chem will be able to compete for and win contracts to advance their work. In Education, the ARRA offers help for families trying to secure Student Loans. It allows for \$53.6 billion in state fiscal relief, will support 250,000 jobs in education and allows for \$2,500 for 138,000 additional families in Pennsylvania to qualify for the new American Opportunity Tax Credit. It also includes \$1.6 billion for schools and programs in the in 7th Congressional District through State Fiscal Stabilization Fund. ARRA Transportation and Infrastructure funds will support 1.5 million jobs and offers \$1.5 billion in funding for Pennsylvania projects. Perhaps most importantly, working families will receive desperately needed support through the 'Making Work Pay Tax Credit,' the Earned Income Tax Credit, and the First-Time Homebuyer Credit. Local hospitals like Crozer Chester will receive assistance as COBRA benefits are extended to more citizens. Medicare and Medicaid will receive assistance, and we will advance long-overdue Health Information Technology initiatives. Most analysts expect that 250,000 jobs in the health care industry will be saved or created. On a subject very near to my heart, the VA and department of defense will receive funds to care for our Veterans and future Veterans currently on active duty or serving in the reserves or National Guard. I look forward to visiting military installations with the sort of housing our troops deserve and VA Medical Centers that are consistently among the best maintained in the world. I am especially proud that small businesses will receive tax credits for hiring veterans. In addition, small businesses will benefit from extension of bonus depreciation and tax incentives. However, we

need to do more. For example I strongly support raising guarantees to up to 90 Percent in SBA's 7(a) Loan Program. The purpose of the 7(a) loan program is to provide a government guarantee that reduces the risk lenders face when they make loans to borrowers who cannot find credit elsewhere. But during this recession, the guarantees—up to 85 percent for loans at or below \$150,000 and up to 75 percent for larger loans —have not been large enough to give banks the confidence they need to lend. I have encouraged all of the municipal leaders in the 7th District to look closely at the tax incentives associated with the ARRA as well as 'Build America Bonds.' We need to do much, much more to revitalize our communities, especially our 'First Suburbs'."

As evidence of the tremendous benefit government contracting can have for small businesses, Congressman Sestak highlighted new figures showing a dramatic increase in federal contracts going to small businesses in the 7th District. In FY2006, small businesses in the District secured just over \$155 m in federal contracts; by FY2008, that figure had risen to more than \$235 m, a 52% increase. Of the total federal contracts in the District in FY2006, only 6.6% went to small businesses; in FY2008, that figure had jumped to 15.6%—an increase of 137%.

"The government has a goal that 23% of federal contracts will go to small businesses. We're not there yet, but we will be," the Congressman said. "That's important, because small businesses have generated 70 percent of new jobs annually over the past decade. Small business drives this economy, and small business will drive this recovery."

In his closing remarks, the Congressman urged all of the attendees to recognize that the only way to resolve the current crisis is to 'work and win—together.' "As a Veteran, I avoid associating 'war' with everything from sporting competitions to social and economic problems," the Congressman said. "War is horrific in every sense and is a term that holds special meaning. However, in my estimation our nation is fighting three wars at this time. This economic war requires the same sense of shared sacrifice, innovation, hard work, and character that has brought us through tough times in the past. We have many difficult days and difficult decisions before us. I would like to remind us all that when the survival of our nation was challenged, our parents in government, business, and labor found the patriotism and good sense to work together while the nation was in jeopardy—we must do the same now. Today is another indication of my commitment to work with you, my colleagues in congress and the entire federal government to restore the integrity, efficiency, and accountability that was the hallmark of our economic system."

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a

series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of “Deep Blue,” the Navy’s anti-terrorism unit that established strategic and operations policies for the “Global War on Terrorism.” He served as President Clinton’s Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.

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